



The Practices for the Board of Directors of  
Banpu Power Public Company Limited

Revision	Date
	21 August 2015
1	26 July 2018

The Practices for the Board of Directors of Banpu Power Public B.E. 2558

Amendment No. 1 B.E. 2561

- Clause 1. This practices shall be called the “Practices for the Board of Directors of Banpu Power Public Company Limited B.E. 2558 (Amendment No.1 B.E. 2561)”
- Clause 2. This practices shall be enforced as from the executed date of the Chairman of the Board of Directors. The Practices for the Board of Directors of Banpu Power Company Limited B.E. 2558 shall be cancelled accordingly.
- Clause 3. Definitions:
- 3.1. “Company” means Banpu Power Public Company Limited
  - 3.2. “Board of Directors” means the Board of Directors of Banpu Power Public Company Limited
  - 3.3. “Director” means the director of Banpu Power Public Company Limited
  - 3.4. “Chairman of the Board” means the Chairman of the Board of Directors of Banpu Power Public Company Limited
  - 3.5. “Sub-committees” means the three sub-committees; namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nomination Committee.
  - 3.6. “Related Person” means the person referred to in section 258 under the Securities and Exchange Act B.E. 2535 (as additional amended).
  - 3.7. “Subsidiary” means a company in which the Company holds directly or indirectly more than fifty per cent of the issued shares.
  - 3.8. “Associated company” means a company in which the Company holds directly or indirectly less than fifty per cent of the issued shares.
  - 3.9. “Major Shareholder” means a shareholder who holds shares in any company in the amount of 10 per cent of the total voting shares.
  - 3.10. “Independent Director” means an independent director, according to the Notification of Capital Market Supervisory Board No. TorJor. 28/2551 dated 15 December B.E.2551 (as additional amended), which was shown in the attached document.
- Clause 4. Composition and Criteria of the Board of Directors:
- 4.1. The Board of Directors shall consist of at least five directors appointed by shareholders.

- 4.2. No less than half of the directors shall be non-executive directors.
- 4.3. No less than one-third of the directors and at least three directors shall be directors who are independent of management and have no business relationship or any other relationship which may affect the director's independent exercise of discretion with the Company.
- 4.4. No less than half of the directors shall have residence in the Kingdom of Thailand.
- 4.5. The Chief Executive Officer shall be appointed as a director ex officio in the Board of Directors.
- 4.6. The Chairman of the Board shall be designated from a director who is not the Chief Executive Officer.
- 4.7. The Chairman of the Board shall not be any chairman or member of the other sub-committees.
- 4.8. The Chairman of sub-committees shall be independent director.
- 4.9. Each member of sub-committees could also be a member of the other sub-committees but shall not exceed two sub-committees. If any director is the chairman of sub-committee, such director shall not be the chairman of any other sub-committees.
- 4.10. The Company Secretary shall be the Secretary to the Board of Directors.

Clause 5. Qualifications of the Directors

The Corporate Governance and Nomination Committee has set up the criteria and qualifications of the directors with the following three aspects:

5.1. General Qualifications

- (1) Shall not be a person of unsound mind or a person who has mental infirmity;
- (2) Shall never been imprisoned by the final judgment of a court, unless it is an offence committed with negligence;
- (3) Shall never been under judgment or court order to enforce the asset belonging to the State
- (4) Shall not be or never been a bankrupt;
- (5) Shall be able to dedicate adequate time to the Company and being the directors of the listed company not exceeding 5 companies;
- (6) Shall have integrity and accountability;
- (7) Shall make judgments based on information and reason;

- (8) Shall be at maturity and prudent person who has his/her confident to express his/her opinion differently and independently;
- (9) Shall be a person working with the professional standard and principles;
- (10) Other qualifications as the Corporate Governance and Nomination Committee deems necessary.

- 5.2. Specific competency and expertise, accounting and finance, law, industry knowledge and marketing, etc., are considered for the appropriation of the Board of Directors
- 5.3. The independent directors shall have general qualifications and specific competency expertise, and shall also have qualifications of "Independent Directors" stipulated in this practices.

Clause 6. Term of Office and Retirement

- 6.1. The Directors shall serve a term of office of three years.
- 6.2. The Independent Directors shall serve a term of office of nine years or not exceeding 3 consecutive terms.
- 6.3. One-third of the total number of directors shall be required to vacate their offices by rotation at every general meeting of shareholders. If the number of directors is not a multiple of three, then the number of directors nearest to one-third shall retire from their offices.
- 6.4. The directors who retire by their rotation in clause 6.2 are eligible for reelection.
- 6.5. The director shall retire at 72 years of age which shall be effective as from the following date of the Annual General Meeting held after the retiring director has attained that age.
- 6.6. In addition to retirement, an office of the Director shall be vacated if the director:
  - (1) dies.
  - (2) resigns by submitting a resignation letter to the Company, and shall be effected on the date of receiving by the Company.
  - (3) is disqualified or forbidden from being a director by the Public Company Act B.E. 2535 and the Securities and Exchange Act B.E. 2535 (as additional amended).

(4) is removed by the shareholders' meeting with votes not less than three quarters of number of shareholders attending the meeting and having the right to vote and the total of shares being not less than half of shares held by shareholders attending the meeting and having the right to vote.

(5) is ordered by final judgment of the court.

Clause 7. Duties and Responsibilities of the Board of Directors

In pursuance of the corporate governance of the Company, subsidiaries and associated companies, in addition to any other action taken in compliance with the laws, the Company's objectives, the Articles of Association and the resolutions of the shareholders' meeting, the Board of Directors in monitoring the business of the Company, hereby stipulate that the consideration and approval of the following matters shall be vested under the authority, duty and responsibility of the Board of Directors:

- 7.1. The Company's policy, business strategy, business plan and annual budget.
- 7.2. Monthly and quarterly performance report in comparison to the Company's plan, budget and business outlook in the following period of the year.
- 7.3. Invest in any project with the value of more than THB 1,500 million.
- 7.4. Using the capital investment in the project, which exceeds 15 per cent of the total approved budget, and exceeding THB 1,000 million.
- 7.5. Purchase and disposal of assets and an acquisition and participation in a joint venture project, which is not conflicting with the SEC's and SET's rules, for an amount of exceeding the CEO's authority.
- 7.6. Transactions with material effects to the Company's financial status, liabilities, business strategy and reputations.
- 7.7. Entering into a contract not related to a normal course of business and a contract related to an important normal business.
- 7.8. Parts of a connected transaction between Banpu, its subsidiaries or affiliates and related individuals according to the Securities and Exchange Act B.E.2535 (as additional amended).
- 7.9. Any transaction which may cause the Debt-to-Equity Ratio of the Company's consolidated balance sheets to exceed 2:1.
- 7.10. Payment of an interim dividend.

- 7.11. The total loan budget exceeds in the amount of THB 5,000 million from the budget.
- 7.12. Changes in policy and practices with material implications to accounting, risk management and financial reserves.
- 7.13. Significant changes in financial and management control.
- 7.14. Determination and review of authorization granted to CEO.
- 7.15. Appointment of CEO, EO, COO and Head of Finance and Administration.
- 7.16. Approval of salary structure, salary adjustment budget, other remunerations or any adjustment of other remuneration formulas of executives and employees.
- 7.17. Nomination, appointment and termination of directors and the Company Secretary or Secretary of the Board of Directors.
- 7.18. Authorization which is given to Chairman of the Board of Directors, CEO or any director including the amendments of such authorization.
- 7.19. Appointment and determination of duties of sub-committees.
- 7.20. Establishing and supervising the management on the basis of the Corporate Governance policy and practices, encouraging consciousness of ethics and morality and performing duties in compliance with Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy.
- 7.21. Appointment of directors or executives as directors of subsidiary and affiliated companies.
- 7.22. Registration of a new company and dissolving the company.
- 7.23. Review the Company's Vision and Mission at least every 5 years.
- 7.24. Directors have a duty to keep corporate information strictly confidential, especially internal information not to be disclosed to the public or information that may affect its business or share price which are set out to be the practices with the following details:  
  
In case the information is a report based on an accounting period such as an operating result, financial statements and an annual report, directors must refrain from trading the Company' shares not less than 30 days prior to the information disclosure to the public.

In case the information is a report of the Company's action in a particular situation, such as acquisition/disposal of assets, connected transactions, joint venture/cancellation of joint venture, capital increase/capital reduction, issuance of new securities, repurchase of own shares, payment or non-payment of dividend or incidents that affect the Company' share prices, in such cases, directors shall refrain from trading the Company' shares from the period he/she acknowledges of such information to the date of the Company discloses such information to the public.

7.25. Amendment of the Board of Directors' scopes of authority approval as described in Clause 7.1 – 7.24.

Clause 8. Meetings of the Board of Directors and their votes

8.1. The Board of Directors meetings shall be held at least once a quarter.

8.2. The Chairman of the Board shall convene the Board of Directors meetings or may assign any person to do so.

8.3. The Chairman of the Board determines the agenda for Board meetings together with the Chief Executive Officer.

8.4. The Chairman of the Board or the person assigned by him shall send out a notice of meeting to the directors not less than seven days in advance of the meeting date.

8.5. In order to form a quorum in the meetings, at least half of the directors shall be required and the resolutions in each agenda required the voting from directors not less than two-thirds of the total voting of directors.

8.6. The Chairman of the Board of Directors shall be the Chairman of the Board meetings. In the event that the Chairman of the Board is absent, the Vice-Chairman shall preside over the meeting. If there is no Vice-Chairman, or if he is unable to perform the duty, the meeting shall elect one among themselves to preside over the meeting.

8.7. The decisions at the meeting shall be based on a majority vote of the directors attending the meetings.

8.8. In the case of a vacancy of directorship for reason other than expiration of term of office, the Board of Directors shall elect a new director. The resolution of the Board



of Directors shall consist of the votes not less than three-quarters of number of the remaining directors.

- 8.9. Each director shall have one vote. The directors who have interest in any matter shall have no right to vote in such matter. In the case of an equality of votes, the Chairman of the meeting shall give the casting vote.

Notified on 26th July 2018

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( Associate Professor Dr. Naris Chaiyasoot )

Chairman of the Board of Directors

## APPENDIX

The qualifications of Independent Directors under the Notification of Capital Market Supervisory Board No. TorJor. 28/2551 dated 15 December B.E.2551 and TorJor. 4/2552 dated 20 February B.E.2552.

- (1) Holds shares not exceeding 1% of the total shares with voting right of the applicant, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the applicant, provided that the shares held by the related parties of such independent director shall be included.
- (2) Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC), provided that such prohibition shall not include the case that such independent director has ever been official or advisor of the government sector that is the major shareholder or controlling party of the applicant.
- (3) Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.
- (4) Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of

connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

- (5) Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
- (6) Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 million per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
- (7) Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
- (8) Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds share for more than 1 % of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
- (9) Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

After being appointed as the independent director in accordance with the conditions under the article (1) - (9), such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the applicant, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of applicant.

The provision under the article (2), (4), (5) and (6) related to the consideration of qualification of independent director of the applicant during the period of 2 years prior to the date of submitting the application to the SEC shall be applied to the application submitting as from 1 July 2010 onwards.

Where the person appointed by the applicant to be the independent director is the person who has or ever had the business relationship with or ever rendered professional service with higher service fees specified under the article (4) and (6), the applicant shall be relaxed from such prohibition related to the conditions of having the business relationship with or ever rendered professional service with higher specified service fees if only the applicant has provided the opinion of the board of directors of the company showing that the board has considered the issue in accordance with the Section 89/7<sup>1</sup> and found that there is no interference in the independent opinion, and the following information shall be disclosed in the notice of shareholders meeting under the agenda considering the appointment of independent director.

- the business relationship or the professional service providing which cause such person being unqualified
- reasons and necessity to insist the appointment of such person as the independent director
- the opinion of the board of directors of the applicant to propose such person to be the independent director

For the benefit of the article (5) and (6), wording “partner” shall mean the person who is assigned by the auditing firm, or the professional service provider to be the signatory in the audit report or the report of rendering the professional services (as the case may be) on the behalf of the firm.

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<sup>1</sup> Section 89/7 pursuant to the Securities and Exchange Act. B>E.2535 (As Amended)